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AS AT SEPTEMBER 30, 2013

Highlights for September 2013

- Budgetary revenue in September amounts to $6.2 billion, up $421 million compared to last year. Own-source revenue amounts to $4.8 billion while federal transfers stand at $1.4 billion.
- Program spending amounts to $4.9 billion, up $131 million compared to last year.
- Debt service stands at $735 million, up $81 million compared to last year.
- A surplus of $599 million on consolidated budgetary transactions was posted for September 2013, compared with a deficit of $1 437 million for September 2012 that include the exceptional loss resulting from the closure of the Gentilly–2 nuclear power plant.
- Taking the $81 million deposited in the Generations Fund into account, the monthly budgetary balance within the meaning of the *Balanced Budget Act* shows a surplus of $518 million for September 2013.

On the basis of the cumulative results as at September 30, 2013, the budget deficit, within the meaning of the *Balanced Budget Act*, amounts to $1.2 billion. As announced in the November 2013 *Update on Québec's Economic and Financial Situation*, a budget deficit of $2.5 billion is expected for fiscal year 2013-2014.

SUMMARY OF CONSOLIDATED BUDGETARY TRANSACTIONS
(millions of dollars) **(Unaudited data)**

	September		April to September		*Update on Québec's Economic and Financial Situation Autumn 2013*	
	2012	2013	2012-2013	2013-2014	2013-2014	Forecast Growth %
BUDGETARY REVENUE						
Own-source revenue	4 496 [1]	4 771	25 104 [1]	25 547	53 187	2.6
Federal transfers	1 235	1 381	7 465	8 199	16 619	5.8
Total	**5 731**	**6 152**	**32 569**	**33 746**	**69 806**	**3.3**
BUDGETARY EXPENDITURE						
Program spending	- 4 744	- 4 875	- 30 113	- 31 039	- 63 825	2.5
Debt service	- 654	- 735	- 3 867	- 4 218	- 8 583	10.5
Total	**- 5 398**	**- 5 610**	**- 33 980**	**- 35 257**	**- 72 408**	**3.4**
CONSOLIDATED ENTITIES[2]						
Non-budget-funded bodies and special funds	- 7	9	601	442	215	—
Health and social services and education networks	- 25	- 33	- 84	- 85	- 113	—
Generations Fund	67	81	412	497	1 069	—
Total	**35**	**57**	**929**	**854**	**1 171**	**—**
Exceptional loss-closing of the Gentilly-2 generating station	- 1 805	—	- 1 805	—	—	—
SURPLUS (DEFICIT)	**- 1 437**	**599**	**- 2 287**	**- 657**	**- 1 431**	**—**
BALANCED BUDGET ACT						
Deposits of dedicated revenues in the Generations Fund	- 67	- 81	- 412	- 497	- 1 069	—
Exceptional loss-closing of the Gentilly-2 generating station [3]	1 805	—	1 805	—	—	
BUDGETARY BALANCE WITHIN THE MEANING OF THE BALANCED BUDGET ACT	**301**	**518**	**- 894**	**- 1 154**	**- 2 500**	**—**

(1) Excluding the exceptional loss $1 805 million resulting from the closure of the Gentilly-2 nuclear power plant in 2012-2013.
(2) The details of these transactions by type of entity are shown on page 5 of this report.
(3) Since this is a one-time event independent of the management of the government's day-to-day operations, the Balanced Budget Act was amended on June 14, 2013 to exclude from the budgetary balance the exceptional loss resulting from the closure of the Gentilly-2 nuclear power plant.

CUMULATIVE RESULTS AS AT SEPTEMBER 30, 2013

Budgetary balance

- For the period from April to September 2013, the budgetary balance, within the meaning of the *Balanced Budget Act*, shows a deficit of $1.2 billion.
- For fiscal year 2013-2014 as a whole, the November 2013 *Update on Québec's Economic and Financial Situation* forecasts a budget deficit of $2.5 billion.

Budgetary revenue

- From April 1 to September 30, 2013, budgetary revenue amounts to $33.8 billion, $1.2 billion more than as at September 30, 2012.
  - — Own-source revenue stands at $25.6 billion, $443 million more than last year.
  - — Federal transfers amount to $8.2 billion, up $734 million compared to September 30, 2012. They take into account $519 million stemming from the payment by the federal government of $1 467 million[1] corresponding to the second portion of the financial compensation arising from the harmonization of the Québec sales tax (QST) with the federal goods and services tax (GST).

Budgetary expenditure

- Since the beginning of the fiscal year, budgetary expenditure amounts to $35.3 billion, an increase of $1.3 billion, or 3.8%, compared to last year.

  For the first six months of the fiscal year, program spending rose by $926 million, or 3.1%, and stands at $31.0 billion. The increase forecast for 2013-2014 in the November 2013 *Update on Québec's Economic and Financial Situation* is 2.5%.

  - — The most significant changes are in the Health and Social Services ($494 million) and the Education and Culture ($368 million) missions.

  Debt service amounts to $4.2 billion, up $351 million or 9.1% compared to last year.

[1] Accounting for revenues from the federal compensation for the harmonization of sales taxes is in accordance with public sector accounting standards and takes into account the conditions laid down in the agreement. These conditions include the implementation of the harmonisation of the QST with the GST on 1 January 2013, as well as the implementation of a mechanism for payment and rebate of taxes by governments and some of their mandataries as of April 1, 2013. In addition, revenues must be recognized at the rate the expenditures funded by such compensation are recognized. Thus, as indicated at page C.24 by 2012-2013 Budget Plan, the first payment of $733 million was recorded in the last three months of 2012-2013, at the same pace as debt service expenditures. The second installment, an amount of $1 467 million, is distributed throughout 2013-2014, i.e. at the same pace as the corresponding expenditures of debt service and the FINESSS, at the rate of $122 million per month.

Consolidated entities

- As at September 30, 2013, the results of consolidated entities show a surplus of $854 million. These results include:
  - a surplus of $442 million for non-budget-funded bodies and special funds;
  - revenue dedicated to the Generations Fund of $497 million;
  - an $85-million deficit for the health and social services and the education networks.

Net financial requirements

- As at September 30, 2013, consolidated net financial requirements stand at $2.3 billion, a decrease of $775 million compared to last year. Financial requirements reflect the current budget deficit as well as the variation, from one year to the next, in receipts and disbursements made in the course of the government's operations

CONSOLIDATED BUDGETARY AND FINANCIAL TRANSACTIONS

(millions of dollars) **(Unaudited data)**

	September			April to September		
	2012	2013	Change	2012-2013	2013-2014	Change
BUDGETARY REVENUE						
Own-source revenue	4 496 [1]	4 771	275	25 104 [1]	25 547	443
Federal transfers	1 235	1 381	146	7 465	8 199	734
Total	**5 731**	**6 152**	**421**	**32 569**	**33 746**	**1 177**
BUDGETARY EXPENDITURE						
Program spending	- 4 744	- 4 875	- 131	- 30 113	- 31 039	- 926
Debt service	- 654	- 735	- 81	- 3 867	- 4 218	- 351
Total	**- 5 398**	**- 5 610**	**- 212**	**- 33 980**	**- 35 257**	**- 1 277**
CONSOLIDATED ENTITIES[2]						
Non-budget-funded bodies and special funds	- 7	9	16	601	442	- 159
Health and social services and education networks	- 25	- 33	- 8	- 84	- 85	- 1
Generations Fund	67	81	14	412	497	85
Total	**35**	**57**	**22**	**929**	**854**	**- 75**
Exceptional loss-closing of Gentilly-2 generating station	**- 1 805**	**—**	**1 805**	**- 1 805**	**—**	**1 805**
SURPLUS (DEFICIT)	**- 1 437**	**599**	**2 036**	**- 2 287**	**- 657**	**1 630**
Consolidated non-budgetary requirements	2 186	1 978	- 208	- 787	- 1 642	- 855
CONSOLIDATED NET FINANCIAL REQUIREMENTS	**749**	**2 577**	**1 828**	**- 3 074**	**- 2 299**	**775**

(1) Excluding the exceptional loss of $1 805 million resulting from the closure of the Gentilly-2 nuclear power plant in 2012-2013.
(2) The details of these transactions by type of entity are shown on page 5 of this report.

MONTHLY REPORT ON FINANCIAL TRANSACTIONS

GENERAL FUND REVENUE

(millions of dollars) **(Unaudited data)**

Revenue by source	September 2012	September 2013	Change %	April to September 2012-2013	April to September 2013-2014	Change %
Own-source revenue excluding government enterprises						
Income and property taxes						
Personal income tax	2 020	2 191	8.5	9 469	9 655	2.0
Contributions to Health Services Fund	541	582	7.6	3 189	3 328	4.4
Corporate taxes	184	184	—	1 539	1 311	- 14.8
Consumption taxes	1 386	1 486	7.2	8 042	8 587	6.8
Others sources	118	56	- 52.5	925	793	- 14.3
Total own-source revenue excluding government enterprises	**4 249**	**4 499**	**5.9**	**23 164**	**23 674**	**2.2**
Revenue from government enterprises	**247** [1]	**272**	**10.1**	**1 940** [1]	**1 873**	**- 3.5**
Total own-source revenue	**4 496**	**4 771**	**6.1**	**25 104**	**25 547**	**1.8**
Federal transfers						
Equalization	616	652	5.8	3 696	3 916	6.0
Protection payment	30	—	—	181	—	—
Health transfers	393	445	13.2	2 402	2 587	7.7
Transfers for post-secondary education and other social programs	121	128	5.8	752	772	2.7
Other programs	75	69	- 8.0	434	405	- 6.7
Subtotal	**1 235**	**1 294**	**4.8**	**7 465**	**7 680**	**2.9**
Harmonization of the QST with the GST – Compensation	—	87	—	—	519 [2]	—
Total federal transfers	**1 235**	**1 381**	**11.8**	**7 465**	**8 199**	**9.8**
BUDGETARY REVENUE	**5 731**	**6 152**	**7.3**	**32 569**	**33 746**	**3.6**

(1) Excluding the exceptional loss of $1 805 million resulting from the closure of the Gentilly-2 nuclear power plant in 2012-2013.

(2) In addition to this amount, $215 million is allocated to the Fund to Finance Health and Social Services Institutions (FINESSS), which is part of the results of consolidated entities, thus bringing the total compensation for the period from April to September 2013 to $734 million.

GENERAL FUND EXPENDITURE

(millions of dollars) **(Unaudited data)**

Expenditures by mission	September 2012	September 2013	Change %	April to September 2012-2013	April to September 2013-2014	Change %
Program spending						
Health and Social Services	2 210	2 291	3.7	14 803	15 297	3.3
Education and Culture	1 409	1 475	4.7	7 674	8 042	4.8
Economy and Environment	264	293	11.0	2 575	2 573	- 0.1
Support for Individuals and Families	512	515	0.6	3 086	3 141	1.8
Administration and Justice	349	301	- 13.8	1 975	1 986	0.6
Total program spending	**4 744**	**4 875**	**2.8**	**30 113**	**31 039**	**3.1**
Debt service	**654**	**735**	**12.4**	**3 867**	**4 218**	**9.1**
BUDGETARY EXPENDITURE	**5 398**	**5 610**	**3.9**	**33 980**	**35 257**	**3.8**

DETAILED INFORMATION ON THE TRANSACTIONS OF CONSOLIDATED ENTITIES

(millions of dollars) (Unaudited data)

	September								
	Special funds	Generations Fund	Specified purpose accounts	Transfers (expenditures) related to the tax system	Non-budget-funded bodies	Health and education networks[1]	Total	Consolidation adjustments[2]	Total
REVENUE	**931**	**81**	**28**	**349**	**1 707**	**—**	**3 096**	**- 1 716**	**1 380**
EXPENDITURE									
Expenditure	- 721	—	- 28	- 349	- 1 656	- 33	- 2 787	1 630	- 1 157
Debt service	- 160	—	—	—	- 92	—	- 252	86	- 166
TOTAL	**- 881**	**—**	**- 28**	**- 349**	**- 1 748**	**- 33**	**- 3 039**	**1 716**	**- 1 323**
RESULTS	**50**	**81**	**—**	**—**	**- 41**	**- 33**	**57**	**—**	**57**

	April to September								
	Special funds	Generations Fund	Specified purpose accounts	Transfers (expenditures) related to the tax system	Non-budget-funded bodies	Health and education networks[1]	Total	Consolidation adjustments[2]	Total
REVENUE	**5 219**	**497**	**399**	**2 812**	**11 299**	**—**	**20 226**	**- 10 956**	**9 270**
EXPENDITURE									
Expenditure	- 3 867	—	- 399	- 2 812	- 10 698	- 85	- 17 861	10 434	- 7 427
Debt service	- 948	—	—	—	- 563	—	- 1 511	522	- 989
TOTAL	**- 4 815**	**—**	**- 399**	**- 2 812**	**- 11 261**	**- 85**	**- 19 372**	**10 956**	**- 8 416**
RESULTS	**404**	**497**	**—**	**—**	**38**	**- 85**	**854**	**—**	**854**

(1) The results of the networks are presented according to the modified equity accounting method.
(2) Consolidation adjustments include the elimination of program spending of the general fund.

For more information, contact the Direction des communications of the Ministère des Finances et de l'Économie du Québec at 418 646-3983.

The report is also available on the Ministère des Finances et de l'Économie website: www.finances.gouv.qc.ca.